

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Proposed Policies and Programs
Governing Low-Income Assistance programs.

Rulemaking 01-08-027

**ASSIGNED COMMISSIONER'S RULING
SCHEDULING WORKSHOPS ON PENETRATION RATES
FOR CARE AND ULTS PROGRAMS**

Senate Bill No. 2 from the Second Extraordinary Session (SBX2 2) amends §§ 382, 739.1 and 2790 of, and adds §§ 382.1 and 386 to, the Public Utilities Code.¹ This ruling initiates workshops on the methods used by the energy and telephone utilities to report program penetration rates for the California Alternate Rates For Energy (CARE) and Universal Lifeline Telephone Service (ULTS) programs, respectively. I believe that this effort will assist the Commission in implementing § 739.1(b), which requires that we establish penetration goals for the CARE program. Moreover, § 739.1(c) states that the Commission "shall examine methods to improve CARE enrollment and participation. This examination shall include...comparing information from CARE and the ULTS program...." As discussed below, the comments in this proceeding identify the need to develop a more consistent set of information concerning penetration rates across these programs.

¹ All statutory references in this ruling are to the Public Utilities Code.

In my ruling dated November 20, 2001, I directed respondent gas and electric utilities to file their proposed CARE penetration goals by December 19, 2001. Proposals were submitted by Avista Utilities (Avista), Pacific Gas and Electric Company (PG&E), jointly by San Diego Gas & Electric Company and Southern California Gas Company (SDG&E/SoCal), Southern California Edison Company (SCE) and Southwest Gas Corporation (Southwest Gas). The filings include penetration rate calculations for the 1998-2001 period, as well as goals for the years 2002 through 2005. Latino Issues Forum and the Greenlining Institute jointly filed comments on these proposals, and SCE filed reply comments. In addition, SCE, Verizon California Inc. and SDG&E/SoCal addressed issues related to penetration goals and the method for calculating eligible and participating customers in their comments on ULTS and CARE applications and enrollment processes.²

For the energy utilities, the term “penetration rate” refers to the percentage of customers eligible for a low-income assistance program (e.g., CARE) that actually participate in the program. Based on the comments filed in this proceeding, it appears that at least some of the data characterizing ULTS penetration rates refer to a different metric, i.e., the percentage of total households that have basic phone service. These differences should be explored during workshops.

Ultimately, the Commission should have a consistent reporting of the percentage of eligible customers that participate in these programs across utilities in both industries. In addition, I would like to see the penetration rates adjusted

² See my November 20, 2001 ruling, pp. 8-9 and Ruling #4.

in some way to reflect the fact that some utilities or industries conduct post-enrollment eligibility verification, while others do not.³ The comments indicate that the telephone utilities do not currently conduct this type of random verification of eligibility under the ULTS program. I believe that this difference should be acknowledged when presenting penetration rate results across utilities and industries. This aspect of reporting penetration rates should be also discussed in the workshops.

In Decision (D.) 01-03-028, the Commission adopted an interim methodology for estimating eligible CARE customers until the 2000 Census data becomes available. The interim methodology uses the 1990 Census as a foundation for determining demographic estimates of household size and household incomes, adapted for growth in households and income using other recognized sources to inflate the numbers appropriately. The interim methodology was proposed by the Reporting Requirement Manual Working Group in Rulemaking (R.) 98-07-037 after holding public workshops in conjunction with meetings of the Low Income Advisory Board and its Technical Committee.⁴ PG&E, SCE, SoCal and SDG&E use the methodology adopted in

³ In D.99-07-016 (pp. 9-10), the Commission authorized but did not require the telephone and energy utilities to conduct post-enrollment random verification. By Resolution E-3646, dated January 20, 1999 (pp. 29,38), the Commission required the energy utilities to conduct random post-enrollment verification. Results from this verification process are being reported in the utilities' rapid deployment monthly status reports required by D.01-05-033.

⁴ See Reporting Requirements Manual Working Group Report For Low Income Assistance Programs, October 2, 2000, pp. 17-21; D.01-03-028, pp. 49-51 and Attachment 2. R.98-07-037 was the predecessor to this proceeding. The Low Income Advisory Board is an advisory board on low-income assistance programs established by

Footnote continued on next page

D.01-03-021 to develop their penetration rates for 2001 and beyond. This methodology is described in greater detail in memorandum from the consultant jointly hired by these utilities. (See Attachments to PG&E's December 19, 2001 filing.)

The methodology employed by PG&E, SCE, SoCal and SDG&E should be discussed at workshops so that all interested parties, Commission staff, energy and telecom utility representatives and members of the public can understand the approach used to present penetration rates for these utilities. The consultant (John Peterson of Athens Research) should attend the workshop, along with utility staff familiar with the development of the penetration rates presented in the December 19, 2001 filings. Representatives from Avista and Southwest Gas should also attend the workshops to discuss their methodology for developing penetration rates.

This ruling and all workshop notices and reports will also be served on all parties in the Commission's ULTS proceeding, R.98-09-005. The telephone utilities should actively participate in the workshops by sending representatives that are familiar with the methods used to calculate penetration rates for the ULTS program, so that they can discuss the similarities and differences between those methods and the ones used by the energy utilities. Staff from the Commission's Telecommunications Division should also participate in the workshop and assist Energy Division with the workshop report (see below).

I view these workshops as a necessary first step in developing CARE penetration goals, recognizing that the goals may need to be adjusted over time

the Commission, and will be superseded by the Low Income Oversight Board (LIOB) that has been directed by SBX2 2.

as we transition from relying on data based on the 1990 Census, to data from the 2000 Census, and as we complete the various stages of our Needs Assessment Study. However, this effort to improve the consistency with which penetration rates are calculated and reported should not delay the Commission from taking action on other pending low-income assistance issues, such as automatic enrollment and post-2001 program planning.

IT IS RULED that:

1. Energy Division shall schedule, notice and facilitate the workshops on penetration rates, to be held during the month of February 2002. Energy Division shall submit a workshop report that summarizes the presentations and discussions at the workshops, including the issues identified in this ruling, and presents recommendations on the following:

- a. Any methodological issues that need to be addressed to improve the methods currently used by the energy utilities to develop and report penetration rates, in order to ensure consistent and accurate reporting across utilities.
- b. How to effectively update current methods to reflect the 2000 Census data.
- c. How the methods discussed at the workshop could be used to develop comparable penetration rates under the ULTS program.

2. Energy Division's workshop report shall be filed and served by March 18, 2002. Comments on the report are due by April 4, 2002, and reply comments are due 10 days thereafter.

3. The workshop report and all comments shall be filed at the Commission's Docket Office and served electronically on all appearances and the state service list in this proceeding and in R.98-09-005, the ULTS proceeding. Service by U.S.

mail is optional, except that one hard copy of the workshop report and comments shall be mailed to my office and to Judge Meg Gottstein at P.O. Box 210, Volcano, CA 95689. In addition, if there is no electronic mail address available, the electronic mail is returned to the sender, or the recipient informs the sender of an inability to open the document, the sender shall immediately arrange for alternate service (regular U.S. mail shall be the default, unless another means—such as overnight delivery—is mutually agreed upon). The current service list for this proceeding and R.98-09-005 is available on the Commission's web page, www.cpuc.ca.gov.

Dated January 14, 2002, at San Francisco, California.

/s/ CARL WOOD

Carl Wood
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Assigned Commissioner's Ruling Scheduling Workshops on Penetration Rates for CARE and ULTS Programs on all parties of record in this proceeding and in R.98-09-005, or their attorneys of record.

Dated January 14, 2002, at San Francisco, California.

/s KRIS KELLER

Kris Keller

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at

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(415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.